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The Human-Centric Employer: Three Keys to Unlock Unprecedented Value

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Even before the COVID-19 pandemic turned corporate offices upside down, the typical employee/ employer relationship had begun to flip. A confluence of evolving societal norms, technological advancement and shortages of qualified candidates has given workers the upper hand to demand more from their employment experience. Now, more than 18 months into a global health crisis, the employee advantage has only increased with the expectations of remote work arrangements and flexible schedules.

With competition increasing worldwide, organizations can no longer afford to be complacent about meeting employees' needs, especially in industries where top talent — or any talent at all — is in short supply. Organizations should be thinking in terms of a human-centric approach to employment. That is, sharpening their focus on providing the right tools and technologies, supportive programs and amenities, and cultural fit employees need to do their best work and achieve business goals.

This idea of empowering employees isn't groundbreaking, of course, and most employers trumpet such commitments on their recruiting websites. But recent research suggests reality is much different. In an upcoming NTT DATA and Oxford Economics report, 1,000 senior executives in North America were surveyed, and most respondents seemed to underestimate the importance of meeting employee needs and wants.[1]

> Only 16% said improving employee engagement and retention will be a top priority for their organization over the next two years. And just 5% said employee demand is a top driving motivation behind big strategic or operational changes.

But these attitudes leave employers at risk of falling woefully behind in the fight for talent and pursuit of innovation. Let's take a closer look at how the employer/employee relationship continues to change — and several key focus areas for the human-centric employer to engage and empower the workforce of tomorrow.

Changing workplace dynamics

What makes today's recruiting landscape and work environment different from five years ago? And how different will it be in another five years?	Employers need to answer these questions within the context of their industry, as they strive to engage with current employees and reshape the employer value proposition to meet their future needs.

Recent years have seen several factors converge to make employee empowerment more critical than ever.

A progressive view of work. For many decades of the 20th century, the prevailing attitude toward employment in the United States was that workers should be happy just to have a well-paying job, especially if that job provides health insurance and a retirement plan. Terms like engagement, inclusion, sustainability and social responsibility had yet to enter the corporate lexicon. And with no internet or social media, potential employees could learn little about a company's values and culture before taking a job.

As anyone still in the workforce knows, those days are long gone. Today's employees — especially younger generations — have a much different perspective, built on the foundational idea that work should be more than a paycheck. It's a life experience that should align with personal values as well as professional interests. Workers increasingly expect any company they join to focus on helping its employees grow and succeed while making positive contributions to society in general. Candidates have near-unlimited online resources to conduct due diligence before accepting a role, and they'll ignore opportunities they deem below their standards.

> **Why is being a human-centric employer more critical than ever?**
> Today's employees expect:
> - Work to be a life experience that aligns with their personal and professional interests
> - Workplace technology to mirror the same experience and capabilities as their personal lives
> - Flexible work arrangements, with friction-free remote experiences, as well as cultural engagement and enrichment they once received in the office

Advanced technology. Most workers entering the workforce today don't remember a world without Google, Facebook, Amazon and iPhones. To them, powerful and user-friendly technologies aren't dazzling or revolutionary; they're simply the fabric of everyday life. These employees have every expectation that the tech-driven tools and applications they use at work will mirror the capabilities they have in their personal lives. Instant access to information and the ability to collaborate with others across continents should be a given.

In truth, however, most organizations — even large corporate enterprises — have yet to achieve the same level of technology enablement in the workplace that people enjoy at home. Slow and cumbersome user experiences are becoming more frustrating for tech-savvy workers, who are now the majority. Over time, these employees will gravitate toward companies that invest in technology to empower their people.

The pandemic-driven shift to remote working. Remote work arrangements have been a viable employment option for knowledge workers since high-speed internet access became widely available in the early 2000s. But working from home was usually seen as a desirable, occasional perk rather than a full-time necessity. The COVID-19 pandemic flipped the script, as millions of desk workers had no choice but to work remotely during the lockdowns. Most corporate offices have yet to fully reopen, and many employees won't want to return when they do. They've come to prefer at-home work over life in the office, proving that they can be equally productive and effective without commuting through traffic or meeting in person.

Even after the pandemic subsides, organizations will feel its effects on workplace dynamics for years to come. Employees will expect employers to fully support flexible work arrangements, providing the technologies to

enable a productive remote work experience and the cultural engagement and enrichment they once received in the office. We don't yet know whether organizations can replace in-person learning, apprenticeship and coaching, but these activities must remain top of mind. That will require employers to rethink traditional delivery methods, but few companies make this shift a priority. In our executive survey with Oxford Economics, barely one out of five respondents believed providing flexible work options is of utmost importance to employee satisfaction and engagement.[1] Less than one-third said their companies are highly effective at providing flexible work options to their employees. This gap in support for remote workers represents an opportunity for employers to gain an advantage over competitors.

A surge of attrition. The pandemic continues to have other effects beyond the widespread shift to remote work. It also provides an opportunity for reflection. And millions of workers are taking the time to think deeply about their career choices, life goals and family needs. It's resulted in the "Great Resignation," a period where vast numbers of employees — far above average — are either changing jobs or exiting the workforce altogether.

In an August 2021 survey of 1,250 Americans by Resumebuilder.com, more than one-third planned to or considered quitting their jobs.[2] And a staggering 40% of IT employees planned to leave. Pay and benefits were the primary motivators for resigning, but other respondents were interested in starting their own business (44%) or finding a more exciting job opportunity (41%).

> Becoming a human-centric employer is much more than a "nice idea"; it's business-critical.

Employees' changing perspectives on work and heightened expectations for employers will require companies to evolve — technologically and philosophically. Organizations that ignore the new rules may face disengaged employees, increased attrition, hiring difficulties, declining customer service, sluggish innovation and disappointing growth. In other words, becoming a human-centric employer is much more than a "nice idea"; it's business-critical

Three goals to produce compounding value

Understanding the context behind the changing nature of employment is step one for organizations on the path to empowerment. But what comes next? How can companies use this knowledge to move beyond theorizing and take concrete actions that drive exponential value? It starts with employees.

Employee engagement and retention, customer experience and satisfaction, and organizational performance are three actionable focus areas. Achieving the first goal can unlock doors to the second and third. As employee engagement improves, people tend to be more purposeful and productive, enhancing customer satisfaction and inevitably boosting operational and financial performance. It all starts with being a more human-centric employer.

Being a human-centric employer drives compounding organizational value:

- Increased employee engagement and retention
- Improved customer experience and satisfaction
- Enhanced organizational performance

Increased employee engagement and retention

Great people build great organizations by doing great work. Even in this age of digital dominance, employees remain the heart and soul of the business, providing the passion and ingenuity every company needs to succeed. To win the loyalty of today's employees, companies need a holistic approach to meet employee needs for financial, physical, mental and social health.

That could mean expanding beyond traditional benefits like health insurance to promote a better work/life balance, including flexible work arrangements and comprehensive support for remote workers. It could also include more progressive wellness amenities, such as counseling services, ergonomic furniture, fitness programs and connections with nature.

Employees also want help developing their long-term career prospects. Research suggests the half-life of most learned skills is now around five years (even less for technology-related skills), meaning those skills will be half as valuable in five years as they are today; in 10 years, they'll be obsolete.[3] Companies must demonstrate a commitment to enabling their people with the knowledge and skills they'll need to succeed today and in the future. This responsibility applies to job-specific and durable skills such as leadership, resilience, communication and critical thinking, which are equally essential to any high-performing organization.

Employees aren't merely concerned with what their company can do for them. They also want to know their employer is committed to doing business ethically and responsibly and dedicated to causes they care about, such as diversity, inclusion, economic equality and environmental protection. In one survey of 1,000 adult workers in August 2020, 88% agreed it's no longer enough for companies just to make money; they must positively impact society as well.[4]

90% of employees said they're more inspired, motivated and loyal when their companies have a strong sense of purpose.

Organizations can gain significant engagement and retention benefits from a stronger emphasis on corporate social responsibility.

Improved customer experience and satisfaction

Employees aren't the only ones counting on seamless digital experiences from purpose-driven companies; customers are, too. Putting the customer first may be a popular marketing mantra, but the ability to serve customers well goes back to employees' ability to deliver. Employees with access to powerful technologies and frictionless experiences that make them more effective naturally improve customer service.

In addition to empowering workers with flexible access and modernized applications, organizations should explore opportunities to maximize their potential with advanced technologies such as automation, artificial intelligence (AI) and machine learning (ML). In many customer-facing areas, automation programs can take over repetitive and mundane tasks, such as filling out forms or processing claims, freeing employees to focus on matters that require a human touch. Applying AI and ML can serve customers directly (such as chatbots and virtual agents) or assist human agents in serving customers more efficiently. Our research with Oxford Economics reveals that among companies using AI-driven conversational interfaces and virtual agents for customer-facing processes, 80% have seen an uptick in customer satisfaction.[1]

Even for back-office tasks that customers never see, automation speeds up collecting and processing data, reduces errors and helps people explore more meaningful work. AI and ML help companies use data to understand and anticipate customer needs, which helps shape strategies for new products and services. In these ways, technology improvements in any part of the business can simultaneously enable a human-centric workplace and translate to more satisfied customers.

Enhanced organizational performance

As organizations double-down on empowering employees and equipping them to deliver outstanding customer service, increased business performance and financial results should follow. But rather than stop there, companies have additional opportunities to build on these accomplishments and take their human-centric culture to new heights.

For example, as the pandemic drags on and many office buildings remain empty, companies may take advantage of the vacancy to reimagine their workspaces entirely. That might include redesigning physical workspaces to be less geared for daily taskwork and more like hubs for collaboration and innovation. For workers who remain remote, employers may want to explore emerging virtual meeting technologies — beyond the current standards of Zoom and Microsoft Teams — that create life-like immersive experiences and foster teamwork and togetherness.

The idea is to elevate physical and virtual workspaces to be equally inviting and exciting "destinations" where people enjoy spending time. Equal is a key concept here because, in the fluid work-from-anywhere future, one environment must not predominate over the other. Employees should be able to enjoy a unified, shared experience whether they're at home, in the office or on the road.

Now more than ever, that work experience must also be safe and secure. Employers will need to be creative in office environments to encourage in-person collaboration while addressing COVID-19 concerns that may linger for years. From a cybersecurity perspective, organizations must rectify the additional vulnerabilities that a highly distributed workforce creates without frustrating and stifling the productivity of remote employees.

Technology's role as the ultimate people enabler

As the workplace becomes less defined by a set physical place and morphs into a distributed ecosystem, employers must realize that technology is the common thread connecting humans to the company and each other. Employees increasingly share documents and ideas in virtual collaboration spaces and build camaraderie through internal social media tools. The pandemic only accelerated already occurring trends, and in the future, employees will expect to be more mobile and autonomous than ever before.

> Becoming human-centric is about empowering people to do their best work. In the workplace of the future, technology will underpin the entire operation.

Practically speaking, this means companies should focus on designing hybrid work environments that can accommodate heavy traffic from remote workers and equip them with user-friendly cloud-based tools so they can be productive from anywhere, at any time. Managers need remote access to resources to supervise, motivate and develop virtual teams.

While physical workplaces may be less of a focal point going forward, they'll still have a role to play. There's nothing quite like bringing people together under one roof to connect on a personal level, foster cultural growth or just grind through an important project as a team. Yet, emphasizing technology is essential in the office, as employees expect to move seamlessly and securely between home, mobile and office work environments.

Ultimately, becoming human-centric is about empowering people to do their best work. In the workplace of the future, technology will underpin the entire operation.

Conclusion

The last two years' social, political and economic turmoil has thrown many aspects of everyday life out of balance. As organizations look to chart a course to long-term growth, there are still more questions than answers. Despite the prevailing uncertainty, there's no denying that the relationship between employees and employers has changed, perhaps irreversibly. Employees have the power and the will to define their destinies, and they're holding employers to higher standards in exchange for their talent. Companies must accept the reality that they serve their employees as much as employees serve them.

This fundamental shift in business dynamics is, in fact, a profoundly positive development. As organizations adopt the mindset of empowering their people and elevating the work experience, barriers to customer satisfaction, innovation and business performance will come crashing down. In its many forms, technology can be the key that starts the engine, driving the evolution to a human-centric culture where people can do what they do best.

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